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FIRST COUNTRY COOPERATION FRAMEWORK FOR RWANDA

1998-2000

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INTRODUCTION

1. The first country cooperation framework (CCF) is based on a series of discussions and consultations with the Government, civil society and donor community, which began in March 1997 in the framework of the review of the fifth country programme. It describes the agreed strategy and areas of focus for the use of all UNDP-managed resources for the period 1998-2000 to help the country to meet its development priorities. The CCF has been prepared in consultation with the Government and takes into account government priorities as expressed in the Public Investment Programme, the Programme for National Reconciliation, Rehabilitation and Relaunching the Economy, the Medium-Term Policy Framework for 1996-1998 and the report of the mission for the review of the fifth country programme.

2. The fifth country programme was approved by the Governing Council for the period 1993-1996. However, given the development situation in Rwanda, it was essential for a number of practical reasons that the first CCF coincide with the programming cycles of the United Nations specialized agencies working in the country. This was also in accordance with the recommendations of the Joint Consultative Group on Policy. The Government requested an extension of one year, which was approved by the Administrator, who hereby brings it to the notice of the Executive Board. During the period of the extension, bridging activities were undertaken to ensure harmonization with the programmes of other development partners. The first CCF therefore covers the period 1998-2000.

I. NATIONAL DEVELOPMENT FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

3. The devastating effects of the genocide of 1994 curbed and even reversed, to some extent, Rwanda's economic and social development. Up to 1 million people were killed and almost half of the population was displaced, some remaining outside the country for more than two years. The country's physical assets, including natural resources, were extensively damaged. Based on the 1994 statistics, Rwanda was ranked 174 in the human development index in 1997, compared with 152 a year earlier. Rwanda now faces two challenges: (a) the reintegration of the returnees and the reconstruction of the country and (b) continuation of long-term economic and social development. Both challenges are closely interlinked and must be faced simultaneously.

4. Significant progress has been made in the past three years since the genocide. Production has increased significantly in all economic sectors and real gross domestic product (GDP) has increased by 37 per cent in two years (1995-1996), thereby recovering half the decline registered in 1994. The rate of inflation fell from more than 60 per cent in 1994 to 25 per cent in 1995, and again further to 9 per cent in 1996, contributing to the stabilization of the exchange rate of the Rwandan franc against foreign currencies. Agricultural production levels are reaching close to 60 per cent of their pre-war level. Key services such as central administration, energy and safe-water supply, telecommunications, health and education have been re-established to the extent where minimum requirements can be met.

5. However, structural constraints to economic and social development remain and Rwanda has not yet regained its prewar level of development. Today, GDP is estimated at 65 per cent of its 1990 level and the macroeconomic situation remains a cause for concern. As a result of the massive return of people who had left the country many years prior to the 1995 genocide, the total population is now estimated to have reached its pre-genocide level. Rwanda therefore remains Africa's most densely populated country. The population is overwhelmingly rural, with less than 10 per cent estimated as living in urban areas. The dependency ratio is high, with an estimated 49 per cent of the population under 14 years old. The increase in poverty as a result of conflict and genocide has taken place in a country that already had chronic structural poverty.

6. Beyond meeting immediate needs, it is essential to ensure the rapid integration of returnees into the economy and society and to guarantee sustainable livelihoods for all the population. Women were particularly affected by the events of 1994. It is estimated that 35 per cent of households are headed by single women. These women faced considerable challenges in the aftermath of the genocide, particularly as concerns ensuring sustainable livelihoods. Living standards tend to be inferior for women than they are for the population as a whole. In addition, HIV infection levels, already high prior to 1994, were further exacerbated by events which occurred during the genocide.

7. The fundamental problems facing Rwanda remain: (a) the extensive dependence on subsistence agriculture as the main economic activity of the majority of population, coupled with extremely high population density; (b) dependence on coffee and tea as the main cash crops; (c) lack of economic diversification; and (d) limited economic opportunity for the mass of people. High population density and high dependency on agriculture contributes to significant pressure on land; population movements following the war, unregulated land use and deforestation have contributed to land degradation and compounded environmental damage. In spite of significant recovery in agricultural production, Rwanda is able to meet only 70 per cent of its basic nutritional requirements; food aid assistance is therefore foreseen to continue in the short-term. In addition, recovery remains impeded to some extent due to insurgency activities in some areas of the country and the consequent security problems.

8. National reconciliation, the removal of a culture of impunity, and the promotion of respect for human rights are key issues for the reconstruction of the country. The justice system faces particular problems as the high number of killings that occurred during the genocide, coupled with the systematic destruction of all infrastructure and loss or flight of qualified judicial personnel, has placed immeasurable demands on Rwanda's judiciary. The judicial administration faces the challenge of ensuring that those responsible for the killings are brought to justice while the conditions of those held in detention awaiting trial meet basic humanitarian requirements.

9. As a result of the genocide and ensuing population movements, Rwanda's public administration lost a large proportion of its managers and qualified staff. This, in addition to the destruction of the physical infrastructure, has

severely compounded the problem of weak national capacity. Literacy rates are estimated at 48 per cent and there is a limited pool of skilled and educated labour. Building government and national capacity is essential for the long-term sustainable development of Rwanda.

II. RESULTS AND LESSONS LEARNED

10. The fifth country programme had two main areas of focus: (a) poverty alleviation and social development and (b) reinforcement of national capacity to manage development. Following the war and genocide of 1994, UNDP, in collaboration with the Government, reoriented the programme so as to respond to the priority focus areas defined by the new Government of National Unity. These included:

(a) Restoration of the State's administrative capacities;

(b) Rehabilitation and strengthening of the judicial system;

(c) Reintegration of refugees and displaced persons.

In the evaluation of the fifth country programme carried out in February/March 1997, it was noted that the flexibility with which UNDP reoriented the programme was a clear demonstration of its ability to be innovative in meeting the urgent needs of the country in a post-crisis situation.

11. The specifics of the post-crisis situation in Rwanda and the immense and immediate humanitarian and development needs did not permit the country office to develop the programme approach. Nevertheless, the UNDP interventions were focused and coherent. The main focus of UNDP activities will now be focused on the longer-term sustainable human development. These activities will build on and further strengthen the work undertaken in capacity-building and ensuring sustainable livelihoods and will also assist the Government in managing the transition from relief to development.

12. Assisting the Government in managing the round-table process has been a major activity for UNDP. The third round-table meeting is scheduled for 1998. It has been noted that the format of thematic and sectoral consultations must be greatly simplified to reduce the time required for their preparation and to ensure that they are effective processes for the Government rather than an additional burden. Furthermore, the relationship between the round-table process and the Consolidated Appeal Process (CAP) and the Extended CAP (E-CAP), needs to be more clearly defined and better coordinated.

13. In spite of efforts made in the area of coordination, notably through the round-table process, improved coordination is required at all levels, including within the United Nations system, the Government and donors. Although there are many urgent, critical needs, it is desirable that short-term interventions focus on long-term sustainability to avoid the creation of structural imbalances. There is a need for closer sectoral consultation and coordination, within an overall framework. From late 1996 onwards, this process was facilitated by

thematic groups consisting, as appropriate, of representatives of the United Nations, the Government, bilateral agencies and non-governmental organizations (NGOs). The improved coordination and programming will also be enhanced by the formulation of an overall strategic framework. More specifically, the United Nations Office for Project Services (UNOPS) and the Office of the United Nations High Commissioner for Refugees (UNHCR) have concluded a joint Memorandum of Understanding to ensure integrated and coherent planning of their activities in support of the Government's Reintegration and Reconstruction Transitional Programme.

14. Given the almost total destruction of both the State apparatus and civil society after the war, it became apparent that the national execution modality was not the best way of meeting the immense needs of the country, and placed an additional administrative burden on the already overstretched Government. National execution therefore led to constraints and delays in project and programme implementation at a time when the country needed speed and efficiency in execution. Given the need for better-adapted execution modalities, UNDP will make limited, specific use, as appropriate, of the direct execution modality while also focusing on building national capacities for appropriate and effective application of national execution.

III. STRATEGY AND THEMATIC FOCUS AREAS

15. The country's main development challenges are addressed through the focus areas of the country cooperation framework. The strategy to address these challenges will be to shift from an emergency mode to one that will facilitate a gradual return to normalization of the country's political, economic and social situation. It is, of course, not enough just to return to the status quo prevailing before the crisis since the structural causes of poverty, which exacerbated the conflict, were already present at that time. UNDP will adopt the necessary flexibility and adaptability to allow it to respond effectively to the priorities as agreed upon with the Government.

16. One of the preconditions for ensuring long-term sustainable development is to improve and reinforce the administrative and management capacities of the Government and public service. The rehabilitation and strengthening of the justice system is also a key factor for long-term peace and reconciliation. Action will also focus on ensuring that a continuum is established between meeting the short- and medium-term reintegration needs of returnees and their long-term social and economic needs, which will ensure their sustained reintegration.

17. The alleviation of poverty will be addressed in particular through measures aimed at food security, diversification of rural economic activity, improving agricultural production, urban and rural job creation, improved access to education, and skills training. Particular attention will be given to women, including widows of the genocide, who form one of the most vulnerable groups. To promote a participatory development process in the framework of the decentralization envisaged by the Government, UNDP will provide support to local communities to strengthen their capacities in identifying and defining their priorities and in the implementation and monitoring of activities.

18. UNDP will continue to assist the Government in the organization of round-table conferences, the third of which is scheduled for 1998. Under the leadership of the Resident Coordinator, UNDP will strengthen the coordination of United Nations specialized agencies by assisting the Government in the formulation of the country strategy note and through joint programming of United Nations system assistance in order to optimize impact.

19. The CCF will have two main areas of focus: (a) capacity-building for good governance and (b) reintegration and rehabilitation for sustainable human development and poverty alleviation.

A. Capacity-building for good governance

20. UNDP will pursue efforts to strengthen national capacities in order to support the emergence of a State able to serve its citizens and ensure good governance, a prerequisite for sustainable human development. This area of concentration will support efforts of the Government to strengthen national capacities that will enable the Government to conceptualize, plan and manage the development process in the best interests of its people.

Subprogramme 1: Strengthening national capacities for planning and managing development

21. In the framework of this subprogramme, UNDP will provide assistance to Government departments responsible for planning and managing development, specifically technical support aimed at improved management of the process. This support will enable the Government to acquire modern management tools with which to establish coherent sectoral strategies and policies, well-designed public investment programmes, a macro-economic framework, and reliable statistical data. The formulation, adoption and implementation of administrative reform will be facilitated, while ensuring training of civil servants. Through the round-table process, the Government system for coordination of development assistance will be strengthened.

Subprogramme 2: Human resources development

22. Human resources in Rwanda were greatly affected during the events of 1994. There i a need to assist the Government in defining its educational policy and action plan for primary, secondary and higher education. The thematic consultation on the educational system in Rwanda currently being prepared with the joint assistance of UNDP and the United Nations Educational, Scientific and Cultural Organization (UNESCO) will provide a global policy and coherent programme of action and UNDP will contribute to their implementation. The focus will be on making basic education available to all, particularly girls since they have the highest drop-out rate, and on improving the level of secondary and higher education to meet the needs of the country for educated personnel.

23. Importance will also be given to vocational, technical and scientific training as this is a key element in poverty alleviation strategies and the creation of sustainable livelihoods. Persons who have been trained at the technical and higher levels will help to eliminate the human resources deficit

in key sectors such as education, health, justice, and agriculture. In addition, this will contribute to the creation of new job and income opportunities, in both the urban and rural areas.

Subprogramme 3: Strengthening the capacity of security and judicial systems and support to demobilization

24. The judicial system has begun to function again and the trials of genocide suspects has started. However, in spite of the considerable achievements, the justice apparatus remains weak in relation to the considerable demands being placed on it. Good governance requires the presence of an equitable, credible and transparent justice system and a reliable security system that inspire confidence in the population. The planned thematic consultation on justice and security will help the Government to define its policies further and present its plan of action to donors for funding. In addition, continued assistance to train and support the gendarmerie and civilian police force is essential for the establishment of a climate of peace and security. Another aim of the programme is to support the Government in its efforts to update legal texts to adapt them to the country's development objectives and to protect women's rights (e.g., land tenure legislation, tax law, status of women). It is expected that assistance in this sector will improve the capacity of the State to ensure respect for human rights, ensure peace and security for all citizens, and improve the capacity of judicial personnel to carry out the genocide trials.

25. UNDP will support the Government's demobilization programme, which aims at reducing the number of armed forces, thereby contributing to a more professional army. Assistance will be provided to demobilized soldiers, including child soldiers, and those demobilized for reasons of age and infirmity, to reintegrate into their communities and to engage in productive activity. An important element of this programme will be vocational training to ensure sustainable livelihoods for demobilized soldiers.

Subprogramme 4: Decentralization

26. UNDP will support the efforts of the Government for administrative devolution and decentralization. The implementation of this new policy and reform programme is one of the top priorities of the Government and includes greater participation of local populations in the decision-making process. The objectives of this subprogramme will be to provide communes and prefectures with greater administrative and financial autonomy and to reinforce their capacity to plan, formulate and monitor development projects in their respective regions. Support will also be given to activities to provide women at the local level with the necessary skills to participate fully in the process. The area development approach for reintegration activities, which UNDP is adopting, in conjunction with activities carried out in the framework of the UNDP/UNHCR Memorandum of Understanding, will provide an appropriate mechanism to concretize the principle of participation at the implementation level.

B. Reintegration and rehabilitation for sustainable human development and poverty alleviation

27. This second major area of concentration in the CCF responds to the aim of both the Government and of UNDP to reduce poverty and social inequalities. Reintegration of returnees and formerly displaced persons will have a three-pronged approach: (a) ensure social and economic reintegration of returnees; (b) promote job creation and income opportunities through the development of micro-enterprises and small- and medium-sized enterprises; and (c) promote poverty eradication and reduce environmental degradation. The actions to be carried out under this theme will address both the structural causes of poverty and the more recent causes of poverty originating from the genocide, civil disruption and massive population movements. Increasing income through job creation will be emphasized as will improving school attendance rates and raising living standards. The high percentage of female-headed households in Rwanda, who are particularly susceptible to poverty, will be taken into account in designing programmes to combat poverty.

Subprogramme 1: Food security

28. The agricultural sector is the most important sector in the Rwandan economy, both in terms of number of livelihoods and in terms of its share in the GDP. It accounts for the economic activity of 90 per cent of the active population. In addition, coffee and tea have traditionally been the main sources of foreign exchange for the country. The Government is nearing completion of the formulation of its long-term agricultural strategy as well as its policy and programme for food security. These policies and programmes are to be presented at a sectoral consultation. UNDP, with the technical assistance of the Food and Agriculture Organization of the United Nations, will support the Government's plan to develop an agricultural strategy aimed at guaranteeing food security, with the focus on better soil protection and intensified farming systems, to ensure that needs are met over the long term.

29. UNDP support to achieving food security will contribute to: (a) the expansion of arable surfaces, notably through the development of marshlands; (b) the provision of agricultural extension and research services to increase productivity in the agricultural sector, notably by making available to farmers inputs essential for modernizing the agricultural sector; (c) activities in the small-scale processing of agricultural products, including value added; (d) organization of markets and transport to bring agricultural products from production areas to commercial centres; and (e) credit lines for small-scale farmers and craftsmen.

30. The results of activities in this area will have a widespread effect. First, the issue of food security will be addressed, with an expected subsequent reduction in the food deficit and a corresponding increase in nutritional levels, particularly among children. Productivity in the agricultural sector will be increased, both through the expansion of cultivable land and through improved farming methods. Consequently, income levels and livelihood opportunities can be expected to increase. In addition, the improvement in local markets and creation of small-scale enterprises should revitalize the

local economy. Given the overwhelming importance of this sector, results here will reverberate throughout the economy.

Subprogramme 2: Creating economic opportunities and jobs

31. Employment creation, both in urban and rural areas, is a key element of the Government strategy towards poverty eradication. To this end, UNDP will support the promotion of sustainable employment and the creation of enhanced income opportunities. This will be done through diversification, moving away from subsistence farming towards access to credit, the development of income-generating activities and providing access through training to the formal and informal market for women and other vulnerable groups. Such projects must integrate the beneficiaries into the mainstream of economic development rather than inadvertently marginalize beneficiaries in low-income activities with no possibility of expansion. Activities in this area can be expected to produce immediate results and to increase incrementally over the coming five years.

32. With this perspective in mind, UNDP will assist the Government in the formulation of a national policy for micro, small- and medium-sized enterprises, including (a) technical and financial assistance to the informal sector micro-enterprises in urban and rural areas, internal and external markets and the establishment of credit schemes and (b) promotion of productive employment through assistance to small- and medium-sized enterprises (SMEs).

Subprogramme 3: Socio-economic reintegration of returnees and vulnerable groups

33. Given the massive return of refugees, one of the major challenges facing the Government is their resettlement and reintegration in their communes of origin. The approach will move from emergency activities to resettle refugees to the comprehensive reintegration of returnees in support of the Government's Reintegration and Reconstruction Transitional Programme. This programme will aim at creating favourable conditions for the complete reintegration of returnees in their commune of origin while not neglecting support for survivors of the genocide and other vulnerable groups, thereby contributing to the national reconciliation process promoted by the Government.

34. The shelter problem in urban and rural areas will be addressed in an integrated approach within community development planning; activities currently under way will be reinforced. As a means to alleviate unemployment among youth, women and returnees in general, labour-intensive public works will be favoured while to promote sustainable livelihoods income-generating activities and cultural, economic and social activities relating to reintegration will be developed. Assistance will be provided for social mobilization at the community level for the prevention of HIV infection and for the provision of care for affected families to mitigate the social and economic consequences of the HIV epidemic.

C. Special considerations

35. There are special characteristics of the development situation in Rwanda that deserve particular focus. According to latest estimates, women represent

54 per cent of the population and there is a high percentage of female-headed households, partly as a result of the genocide. UNDP will ensure that women are fully involved in the development process both as participants and as beneficiaries and will also provide support to implement the Plan of Action of the Pan African Conference on Gender, Peace and Development.

36. A further concern is the socio-economic impact of the HIV/AIDS epidemic on the population at large, which could compromise efforts to achieve the sustainable development of the country. UNDP interventions in the area of combating HIV/AIDS are integrated within the framework of its mandate of poverty eradication and are designed to support the national programme to combat AIDS, to provide care for people living with HIV/AIDS, to reduce the costs of the HIV/AIDS epidemic on families and to mitigate the negative impact on production and the increase in social health care costs at the national level.

37. The environment suffered considerable degradation during the war and genocide in 1994. It is urgent for Rwanda to restore its environmental capital and take concrete steps to combat erosion and soil degradation, water pollution and the destruction of forests and to assess the environmental impact of marshland reclamation. In this context and in conformity with recommendations of the United Nations Conference on Environment and Development, UNDP will assist with rehabilitation, protection and conservation of natural reserves and biodiversity.

IV. MANAGEMENT ARRANGEMENTS

38. The programme approach will be favoured for all sectors where the Government has a global and coherent national programme. The thematic and sectoral consultations planned as part of the round-table process will provide the framework for the formulation of UNDP support programmes.

39. Given the lessons learned during the fifth country programme, the National Execution modality will be complemented by other appropriate project and programme execution and implementation mechanisms that will deliver the results required by the Government. Direct execution of UNDP projects provides an opportunity for UNDP both to deliver results and to undertake real capacity-building so that the Government will in time be in a position to undertake effective National Execution. The Government and UNDP will have the flexibility to identify locally and select, on the basis of their distinctive areas of competence, appropriate agencies such as local or international NGOs, local associations, the private sector and United Nations specialized agencies, to implement activities. The UNDP country office will be entrusted with the overall management, including the financial management, of the programmes and projects and will be responsible for ensuring that the objectives of the programmes and projects are met in an effective and timely manner, in accordance with Government priorities.

40. The new CCF will be reviewed periodically, notably through the annual review. These reviews will be submitted to the local programme appraisal committee, chaired by the Resident Representative and composed of national counterparts, concerned United Nations specialized agencies and locally

represented donors. The annual review will enable the Committee to make the necessary adjustments to the programme to respond to new priorities that could emerge during its implementation.

41. The monitoring and evaluation of programmes and projects will be carried out on the basis of the parameters clearly defined in the project document. The UNDP country office has developed a monitoring and evaluation strategy aimed at increasing the quality control of projects and activities through feasibility analysis and regular project visits. The strategy will concentrate primarily on the projects implemented through the innovative direct execution modality which, thanks to its capacity for timely disbursement and quality control, should attract additional funding.

42. The most constructive way to mobilize external resources is through the successful, efficient implementation of the programme. In coordination with the Government, therefore, the country office will prepare high quality programmes aimed at securing maximum target for resource assignment from the core (TRAC) resources under line 1.1.2. In addition, it will target resources from UNDP-administered funds such as the Global Environment Facility, Capacity 21, the United Nations Capital Development Fund and the United Nations Development Fund for Women. Finally, since the round-table process and the thematic and sectoral consultations offer an appropriate framework for resource mobilization, UNDP will continue, with the support of the Government, to seek funding for the programme either through the trust fund mechanism set in 1995 or through cost-sharing.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR RWANDA, 1998-2000

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated carry-over	(3 911)	
TRAC 1.1.1	12 143	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
TRAC 1.1.3	7 081	
SPPD/STS	835	
Subtotal	16 148a/	
NON-CORE FUNDS		
Government cost-sharing	-	
Sustainable development funds	-	
Third-party cost-sharing	3 000	These amounts correspond to forecast calculated from annual averages of resources mobilised since August 1994.
Funds, trust funds and other	35 000	UNDP Trust Fund for Rwanda
Subtotal	38 000	
GRAND TOTAL	54 148a/	

a/ Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: SPPD = support for policy and programme development; STS = support for technical services and TRAC= target for resource assignment from the core.